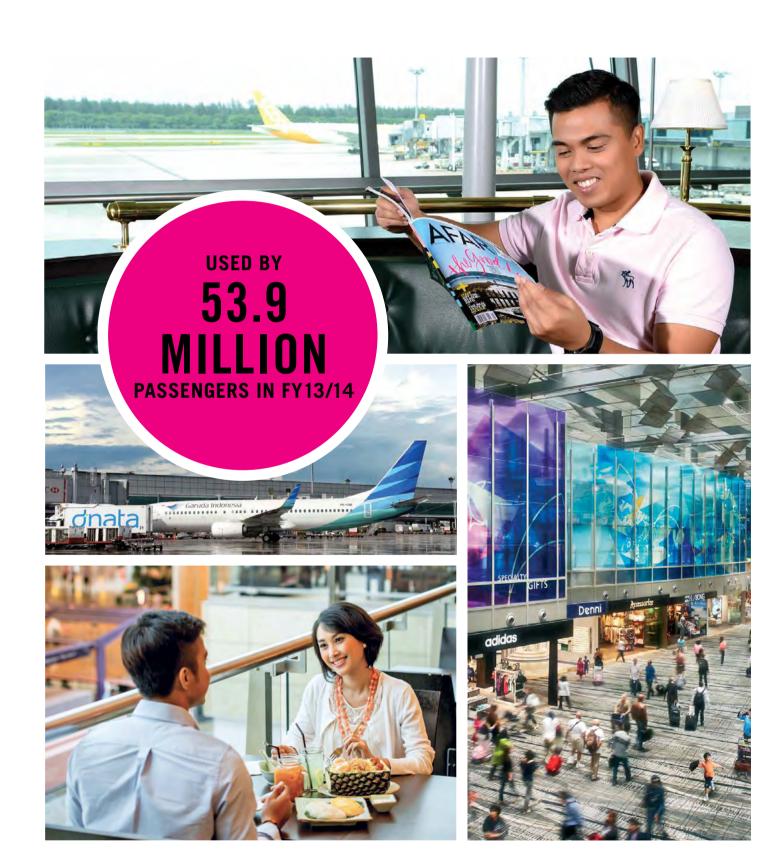
BUSINESS & OPERATIONS REVIEW





HANDLED
1.84
MILLION TONNES
OF CARGO IN FY13/14

MORE THAN
6,700 FLIGHTS
PER WEEK,
OR ABOUT ONE EVERY
90 SECONDS





GLOBAL CONNECTIVITY



CONNECTING SINGAPORE TO OVER

270 CITIES

IN MORE THAN 60 COUNTRIES AND TERRITORIES WORLDWIDE

ASIA

26 Countries 113 City links AS AT 31 MARCH 2014, CHANGI AIRPORT IS THE FIFTH BUSIEST AIRPORT IN THE WORLD BY INTERNATIONAL TRAFFIC, SERVED BY MORE THAN 100 AIRLINES WORLDWIDE.

SOUTHWEST PACIFIC

3 Countries 53 City links

SOUTHWEST PACIFIC

Australia New Zealand Papua New Guinea

ASIA

Middle East Oman

Qatar Saudi Arabia United Arab Emirates

Northeast Asia

China Hong Kong SAR Japan South Korea Macau SAR Taiwan

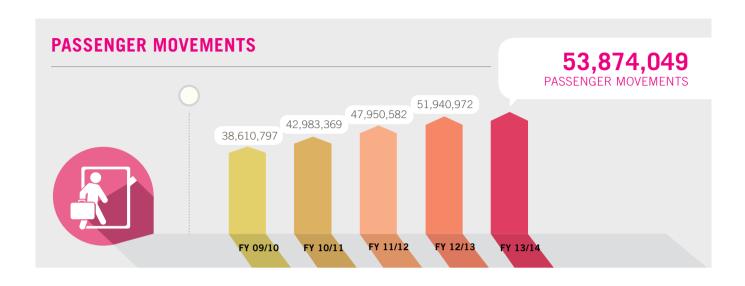
South Asia

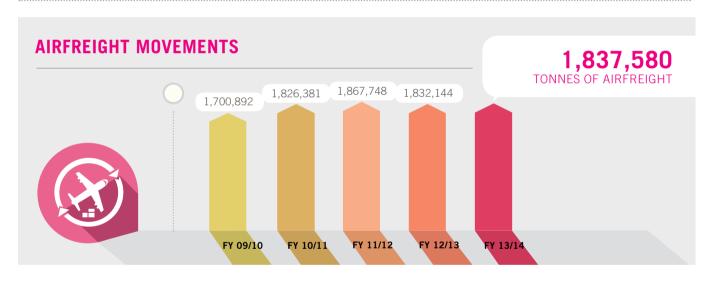
Bangladesh Bhutan India Maldives Nepal Sri Lanka

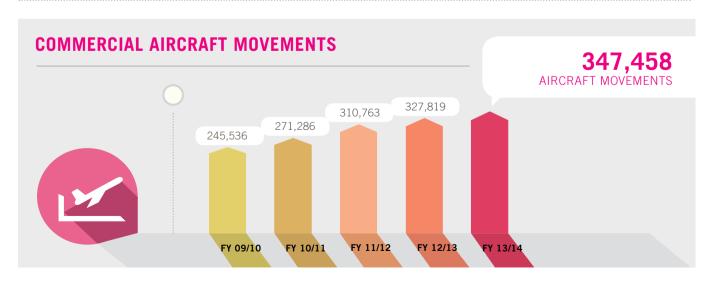
Southeast Asia

Brunei Darussalam Cambodia Indonesia Laos Malaysia Myanmar Philippines Thailand Timor Leste Vietnam

AIR TRAFFIC STATISTICS | BY YEAR







A PREMIER AIR HUB



During the year, CAG continued to develop the Changi air hub through active marketing to airlines and collaborative partnerships to promote travel to and through Singapore. As a result, passenger traffic at Changi Airport grew for the fourth year running and Changi moved up the world's rankings to fifth position in terms of international passenger movements.

STEADY AND MODERATE GROWTH

Amidst challenging market conditions and continuing fierce competition in the aviation sector. Changi Airport maintained its growth momentum, albeit at a slower pace, registering modest passenger traffic growth of 3.7% to close the year with 53.9 million passenger movements. Aircraft movements rose 6.0% to 347,000 flights.

Traffic growth at Changi Airport was supported by demand for air travel to and from destinations in Asia. Indonesia. Malavsia and Thailand were Changi's top country markets with Japan registering the strongest growth among the top 10 countries. Denpasar, Kuala Lumpur and Tokyo were the three city links, among the top 10, which registered double-digit growth.

During the year, Changi Airport welcomed five new passenger airlines – flag carriers Ethiopian Airlines and SWISS, Bangladesh's Regent Airways, China's Lucky Air, and Myanmar's Golden Myanmar Airlines. Ethiopian Airlines' new service to the country's capital, Addis Ababa, is Singapore's first direct air link with East Africa. The new service augments Changi Airport's connectivity with the fast-growing African continent, and launches Changi as a gateway to Southeast Asia and the Southwest Pacific for the airline.

DEVELOPING NEW LINKS IN ASIA

Over the last few years, Changi Airport has been actively developing new markets and city links within our core regions in Asia. In China, for example, CAG has spearheaded the efforts to develop new links by working closely with partners like Singapore Tourism Board (STB). International Enterprise Singapore, travel agents, airlines as well as Chinese government agencies. For the fifth year running, CAG embarked on a large-scale consortium marketing campaign in Singapore with six Chinese carriers and five major outbound travel agents to promote outbound travel from Singapore to lesser-known destinations in China, such as Changsha and Zhengzhou.

These sustained market development efforts to grow new city links have resulted in a bumper crop of eight new city links to China - Lijiang, Jinan, Wuxi, Ningbo, Nanchang, Guilin, Guiyang and Nanning. These new links bring Changi Airport's connectivity with China to more than 30 cities, sealing its position as the most connected Southeast Asian airport to China. Additionally, new links were also started to Kalibo in the Philippines, one of Changi's top country markets, and Mandalay in Myanmar.

GROWING TRANSFER TRAFFIC

CAG continued to develop new initiatives to entrench our position among air travellers as their favourite transit airport. CAG partnered Singapore Airlines and SilkAir on the Changi Transit Programme, whereby passengers who transfer at Changi Airport on the two airlines are eligible to redeem up to \$\$40 worth of Changi Dollar Vouchers during their layover.



The vouchers can be used at most retail, food and service outlets, as well as pay-per-use lounges within the airport, enhancing passengers' transit experience at Changi. This promotion was rated the 'Best Travel Promotion of 2013' by jaunted.com, part of the Condé Nast Traveler Network.

CULTIVATING LONG HAUL MARKETS AND NEW TRAFFIC SEGMENTS

CAG recognises the importance of growing long haul markets to strengthen the air hub. The year saw the return of SWISS to Changi Airport with a new daily service to Zurich, after a three-year courtship by CAG. The return of SWISS underscores the attractiveness of Changi Airport to long haul airlines, given the high yield traffic composition of the Singapore market and Changi Airport's excellent network and efficient transfer facilities.

CAG continued to invest in emerging markets like Africa, Russia, Central Asia and South America. For example, it signed a tripartite agreement with South Africa Tourism and Singapore Airlines in June 2013, under which the partners pledged to collectively invest more than S\$1 million in cash and kind over one year to promote travel to South Africa. CAG continued to participate in trade shows overseas to promote Singapore as a choice leisure destination.

CAG is also looking at growing new traffic segments, of which a key one is MICE - Meetings, Incentives, Conferencing and Exhibitions. It launched the 'In Singapore Incentives and

murals at the Chinatown MRT station.





03

Rewards' (INSPIRE) programme with the STB in August 2013, targeting the India market. The programme leverages Singapore's unique attractions such as Gardens by the Bay and Resorts World Sentosa to promote customised destination experiences to corporate incentive groups.

To effectively tap fly-cruise traffic from the Asia Pacific region, CAG and STB in September 2012 jointly supported Costa Cruises, part of Carnival Corporation, the world's largest cruise company, through a multi-million dollar collaboration which sees the cruise liner deploying more ships to Singapore. In the first year of the collaboration, 5,000 Asian cruise passengers flew through Changi Airport, and spent time in Singapore before and after their cruises. In tandem, CAG partnered airlines and travel agents to promote fly-cruise packages in markets such as China and India.

In recognition of CAG's various efforts at marketing Changi Airport as a choice passenger hub, it was presented with the Best Marketing award in the 'Over 50 million passengers' category for the first time at both the World Routes and Routes Asia 2014 conferences.

ENHANCING AIR CARGO CAPABILITIES

With weak economic conditions in the United States and Europe, coupled with the slowdown in growth for major economies such as China and Indonesia, the airfreight industry continued to face challenges in the year. Against this backdrop, airfreight traffic at Changi Airport remained resilient, growing 0.4% to about 1.84 million tonnes of cargo.

One notable highlight of the year was the successful cultivation of Turkish Airlines, which resulted in the commencement of a weekly freighter service from Istanbul to Singapore (via Karachi), making Istanbul a new freighter city link for Changi Airport. As at 31 March 2014, Changi Airport had more than 320 weekly freighter flights served by over 20 cargo airlines around the world, linking Singapore to a total of 52 freighter city links.

Changi Airport continued to see growth in the cool chain cargo segment in FY13/14, with a total of 240,000 tonnes of temperature-sensitive cargo passing through. This was made possible through joint marketing efforts with key stakeholders and investments by ground handling agents to enhance infrastructure and handling capabilities.

An example was SATS Coolport's accreditation as the world's first Centre of Excellence in Pharmaceutical Handling by the International Air Transport Association (IATA) in February 2014. The IATA certification gives pharmaceutical companies the guarantee of excellence in service and ease in conducting audits at SATS Coolport, strengthening Changi Airport's proposition as the preferred regional pharma trans-shipment hub.

Changi Airport's cool chain capacity was also given a boost with the opening of dnata Coolchain in August 2013, giving logistics players more options. The new state-of-the-art facility has an annual handling capacity of 75,000 tonnes of cargo, increasing



Changi's total cool chain handling capacity to more than 300,000 tonnes per annum.

CAG also partnered cargo stakeholders to showcase Changi Airport's air cargo capabilities and value propositions to international logistics players. For instance, in June 2013, CAG collaborated with Singapore Airlines Cargo, SATS Ltd and Alliance 21 (a Singapore-based airfreight company) to exhibit in Air Cargo Europe, a leading annual trade fair for the logistics and supply chain management sectors.

FY13/14 was also a significant year for the Singapore air cargo community as Changi Airport was voted by Cargonews Asia readers as the Best Airport in Asia at the annual AFSCA Ceremony for the 27th consecutive year. To mark the unprecedented achievement, CAG was also inducted into Cargonews Asia's Hall of Fame. This achievement recognises Changi Airport's status as one of the key airfreight hubs in Asia and the local air cargo community's sustained commitment to service and efficiency.

DEVELOPING THE BUSINESS AVIATION SECTOR

With rising consumer affluence in Asia, business aviation in Singapore has seen steady growth at a compounded annual growth rate of 13% from FY09/10 to FY13/14. Efforts by the Singapore government to develop Seletar Aerospace Park (SAP) and Singapore's ideal geographical location have also been contributing factors.

As part of CAG's long-term plan to position Seletar Airport as a major business and general aviation airport in the region, a full-scale review of the service and safety standards of the airport's ground handling agents was conducted in 2013. Minimum operating standards for essential airside services were put in place to level up service and safety standards and improve efficiency of airside operations. New ground handling licences were issued and took effect in April 2014.

In April 2014, Shell Eastern Petroleum took over fuel operations at Seletar Airport. This followed a comprehensive evaluation of competitive bids for the fuel farm management contract which is to last the next 10 years. With Shell's appointment, Seletar Airport users can look forward to benefitting from its knowledge of global best practices, high assurance in product quality, excellence in service delivery and continuous improvement through innovations.

In the course of the year, CAG forged on with enhancing Seletar Airport's infrastructure under a multi-year upgrading plan to support the development of the SAP. Two new compact parking plots have been operationalised, and new parking bays have been completed, augmenting the overall parking capacity at the airport.

With enhanced ground handling operations and improved facilities, Seletar Airport is set to capture growth opportunities in business aviation as the SAP develops into a mature business park and the demand for air travel picks up for Asia's affluent.

AN EXPERIENCE ONLY AT CHANGI



CAG strives for every passage through Changi to have the best airport experience possible. It aims for each passenger to remember a Changi Experience that is personalised, stress-free and positively surprising – elements of the Changi Service DNA. For the fifth time in history, and the second year in a row, Changi Airport took home the widely-recognised Skytrax 'World's Best Airport' award in March 2014, adding to Changi's over 460 accolades to date – a collective nod of affirmation from passengers and the international aviation community.

IMPROVING OPERATIONAL EFFICIENCIES FOR GROWTH

With growing passenger traffic amid Singapore's tight labour market, CAG continually strives to improve operational efficiency at Changi Airport while encouraging fast and seamless travel processes for passengers. This is done through the use of technology to automate processes, the provision of self-service options and the optimal reallocation of resources to meet capacity needs.

SELF-SERVICE MEASURES

In July 2013, Changi Airport, in partnership with Lufthansa German Airlines, embarked on a trial to assess the benefits of self boarding at the gate holdrooms. Rather than airline staff scanning boarding passes, passengers did so themselves before boarding the aircraft. This reduced boarding time by as much as 50%.

Airline staff previously assigned to this role could then be redeployed to provide other forms of service, especially to passengers in need of assistance, such as the elderly and families with young children. CAG worked closely with the Airport Police Division to ensure that there was no compromise to security, even with the increased automation. Following the successful trial, CAG plans to engage more airlines to use self-boarding gates for their departing flights.

In November 2013, Jetstar Asia Airways became the first low-cost carrier at Changi Airport to launch its 'Straight-to-Gate' initiative, which allows passengers without check-in luggage, and visa or special entry requirements, to bypass the manual check-in process at the counters.

This initiative redefines the travel experience for passengers and frees them from queuing, allowing them more time to enjoy the airport's amenities. Besides enhancing the passenger experience, this initiative has brought about productivity savings through the reduction of manpower needed. It is estimated that about 12,000 man-hours were saved in the first four months of the service being introduced.

OPTIMISING TERMINAL CAPACITY

As part of ongoing measures to optimise capacity utilisation across Changi Airport's three terminals and to cater to airlines' expansion plans, CAG completed a major airline relocation exercise, involving 34 airlines, in October 2013.

Thanks to careful planning with the affected airlines over several months, the transition was smooth, even for airlines moving to another terminal. Clear way-finding signs and the distribution of information leaflets to arriving passengers, taxi drivers and major hotel groups, also contributed to a successful exercise.

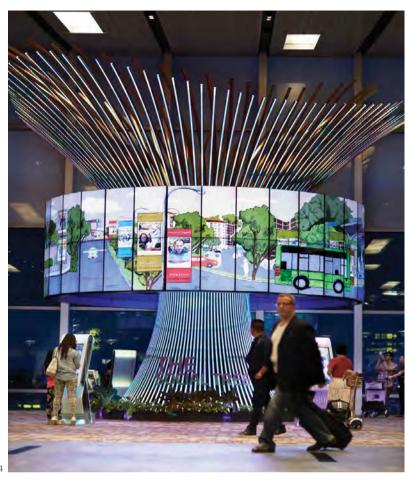
REFRESHING FACILITIES FOR PASSENGERS' COMFORT

Growing traffic and the changing profiles of passengers necessitates capacity planning and regular review of Changi Airport's facilities to ensure that they continue to meet passenger requirements comfortably.

Passengers at Changi Airport look forward to new and interesting facilities, and they were not disappointed during the year with the launch of The Social Tree and the Enchanted Garden.







THE SOCIAL TREE **ENCOURAGES** TRAVELLERS TO LEAVE BEHIND A PART OF THEIR MEMORY AS A CONTRIBUTION TO CHANGI AIRPORT'S HISTORY, WITH THE PROMISE THAT IT WILL BE KEPT FOR MANY **DECADES**

TO COMF.

ALLOWING PASSENGERS TO STAY CONNECTED

Launched in Terminal 1's Departure Transit Mall in June 2013 and set against the backdrop of the airport apron, the nine-metre tall Social Tree is Changi Airport's largest interactive installation to date.

Surrounded by eight touch-screen photo booths, The Social Tree enables travellers to attach their 'selfie' shots onto the colourful crown of the structure, which is made up of 64 giant 42-inch high-definition screens. These offer a spectacular 360-degree display of a range of animated backgrounds, ranging from the Singapore skyline to a mystical forest.

The photos and videos taken can be forwarded to the travellers' own email or social networking account or stored in The Social Tree. This encourages travellers to leave behind a part of their memory as a contribution to Changi Airport's history, with the promise that it will be kept for many decades to come. Those who return to Changi Airport can always retrieve and relive their digital memories from this digital time capsule.

In June 2013, improved power charging facilities were installed in the transit areas of Changi Airport. Charging consoles were upgraded to include USB ports and universal sockets to cater to various devices including tablets and cameras. From a mere 45 previously, there are now 880 charging points across all three terminals – all located near resting areas and provided free of charge.

ENCHANTING FLORA

In July 2013, Changi Airport opened the Enchanted Garden in Terminal 2's Departure Transit Mall. This is the airport's fifth garden following the Sunflower, Butterfly, Cactus, and Orchid gardens. With a dream-like feel, the Enchanted Garden contains four giant glass bouquet sculptures exquisitely decorated with a mosaic of reflective and shimmering stained-glass. Nestled within are a dazzling variety of freshly-cut flowers and soft ferns.

For the first time, the Enchanted Garden incorporates an interactive and immersive spin to the experience, where motion sensors trigger sounds of nature and blooming flowers, while



fibre-optic and LED lighting embedded in the flooring, form a fascinating carpet of sparkling lights for exploring passengers.

CHRISTMAS WITH SPONGEBOB AND SANTA

Horticulture continued to take centre stage at Changi Airport during the Christmas season in 2013, when a botanical tour of world-famous landmarks across the terminals was used to inspire travel ideas. Large topiaries in the shapes of the Leaning Tower of Pisa, St Basil's Cathedral, the Colosseum and the Trojan Horse were created through the use of five thousand plant plugs in each topiary to create the perfect backdrop for photo moments.

In addition to plants, the popular animation character SpongeBob SquarePants was a highlight of the Christmas festivities. Visitors could peddle on Santa's sleigh to trigger a multi-sensory extravaganza of lights, sound, scent and even smoke bubbles at the 11-metre tall Pineapple House – SpongeBob's home – which charmed both the young and young-at-heart.

In SpongeBob's bedroom, visitors could see themselves expand or shrink in size through an optical illusion. Children could also enjoy the nine-metre high SpongeBob bouncy playground which featured a ball pit, a maze and a slide. To top it all, a photo booth eternalised the SpongeBob moments for visitors.

Santa Claus himself also made his presence felt at Changi Airport during the Christmas season, sharing interesting stories about Christmas and his country, Finland, with visitors.

While Santa delighted visitors with surprises, CAG heralded the spirit of giving with its 'Adopt-a-Wish' initiative at T3's Departure Hall and Departure Transit Mall. Good samaritans among airport visitors donated \$\$20 for each of the more than 500 hand-written wishes from students of NorthLight School, a beneficiary of the Changi Foundation. Their contributions were used to purchase necessities for the students, thus capping the year with the warm spirit of generosity.

SIMPLY THE BEST

The 2013 Customer Satisfaction Index of Singapore, commissioned by the Institute of Excellence at the Singapore Management University, saw Changi Airport topping the list of all companies across all industries, with a score of 85.5. This was not only a record for Changi Airport, but was also the highest score registered by the index since its inception in 2007.

Outstanding service staff members in the airport community were honoured for their contributions at the Annual Airport







Celebration ceremony on 18 February 2014. These Service Awards were introduced in 1994 to recognise individuals and teams for their dedication to excellent service. This year, a total of 23 awards across five categories were presented by Transport Minister, Mr Lui Tuck Yew.

PARTNERSHIP FOR QUALITY

CAG works closely with its partners to uphold the service quality standards of Changi Airport through rigorous training for all staff throughout the airport community. In December 2013, a new ground handling Service Performance Incentive (SPI) scheme was introduced to drive service excellence among ground handlers at Changi Airport.

The SPI scheme seeks to enhance the performance of cargo, passenger and apron handling services. Incentives are given directly to individual staff, or to the ground handling companies for staff engagement and training when various targets are met. Since the introduction of the scheme, ground handlers have been performing well to achieve the targets set for most months. CAG is encouraged by the improvements achieved and will continue to work with the ground handlers to drive service and efficiency gains.

CHANGI AIRPORT TOPPED
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THE HIGHEST SCORE
REGISTERED BY THE
INDEX SINCE ITS
INCEPTION IN 2007.

Enabling Fast and Seamless Travel (FAST)

The FAST@Changi team was set up from within the Departure Experience division in the Airport Management cluster, to drive the airport's move towards self-service initiatives. As ground handlers continue to experience recruitment challenges, options such as self check-in kiosks, self bag-drops and self-boarding gates can help in the achievement of manpower savings and greater efficiency. Even as FAST initiatives are steadily rolled out at Changi Airport, the most extensive use of FAST will come in 2017 with the opening of Terminal 4.

The young and dynamic FAST@Changi team actively engages airlines, ground handlers and self-service infrastructure vendors. Working alongside other divisions within CAG, the team develops incentive programmes to encourage airlines to implement self-service initiatives, and at the same time, encourages adoption by passengers through education and publicity. The team is also working with the Airport Operations Planning division to plan the deployment of FAST in T4.

A day in the life of the FAST@Changi team typically includes ground observations of passengers using self-service initiatives such as the self-check-in and self-bag drop kiosks. Following a discussion with the relevant airline or ground handler on how to improve the passenger flow, the team has a conference call with the technology vendor on how to resolve glitches, if any. The team then scrutinises the latest figures on take-up rates by passengers and pitches to other airlines the benefits of introducing FAST schemes. Once an airline displays interest in coming on board a FAST initiative, it's a coup for the team, which then embarks on a new phase of work with the airline partner from planning trials to a successful roll-out plan, which could take several months. The FAST team also works closely with colleagues from Airport Operations, who have been tasked to implement

FAST schemes for Terminal 4, in ensuring that the FAST experience in both existing and future terminals will be equally positive.

FAST is a game changer in airport operations which inherently presents challenges as it alters existing operational processes and business models of many entities in the airport. The success of FAST is dependent on the concerted efforts of many airport partners. For example, the team has worked closely with the Airport Police Division to ensure that security requirements are not compromised.

The FAST@Changi team sees its work as a journey not only for CAG, but for the entire airport community and its passengers. With airport operations being increasingly automated around the world, the team looks forward to charting new paths in self-service initiatives beyond the next decade.



RETAIL THERAPY FOR THE WORLD



The retail operations at Changi Airport play an integral and strategic role in CAG's business strategy. Growing commercial revenue enables CAG to keep aeronautical charges for airlines and airport users competitive, thus strengthening Changi's attractiveness as an air hub. Exciting retail options also contribute to an enhanced airport experience – a trait that Changi Airport is synonymous with. For FY13/14, concession sales grew 7.9%, hitting the S\$2 billion mark – a first in the airport's history – and securing Changi's place among the world's top four airports for airport retail.





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RETHINKING THE AIRPORT RETAIL EXPERIENCE

A good airport experience does not only boast of efficiency, enjoyable facilities and high service standards, but includes a retail experience that excites passengers. During the year, CAG awarded concessions in two core categories – Liquor & Tobacco (L&T) and Perfumes & Cosmetics (P&C). The most significant leasing exercise in more than six years, the tenders had a clear vision – to achieve a full transformation of both core categories so as to bring about a breakthrough in Changi Airport's retail experience and drive sales.

The tenders saw game-changing retail concepts being proposed by leading travel retail players from around the world. Following a thorough evaluation process, the L&T and P&C concessions were awarded to DFS Venture Singapore and Shilla Travel Retail respectively for a six-year period each. The tenancy contracts cover Changi Airport's three current terminals, as well as the upcoming Terminal 4, which is scheduled to open in 2017.

Both concessions will undergo a spectacular metamorphosis, complete with revolutionary duplex stores – a world's first for airports. With their majestic store facades and double-volume grandeur, the stores will be an attraction within the departure transit areas. Passengers can also look forward to a wider choice of products, unique offerings as well as an unparalleled shopping experience.

Much to the delight of connoisseurs, the 15 L&T stores in Terminals 1, 2 and 3 will house one of the most extensive, curated selections of liquor and tobacco in any airport worldwide, including the largest assortment of single malt scotch in an airport in Asia. Other highlights include a Long Bar set up in partnership with Raffles Hotel to serve the iconic Singapore Sling cocktail and other drinks, as well as a wide selection of wines.

Beauty aficionados can look forward to a good mix of both established and new international brands, as well as Korean beauty labels to cater to the fast growing fan base of Korean cosmetics worldwide. In addition to having an extensive range of brands and product variety, the shopping experience within the P&C stores is set for an innovative makeover as well. Shoppers can expect new concepts and offerings such as beauty cafes, personalised consultation and services, as well as exciting product launches.

The duplex L&T and P&C stores in Terminal 3 will be completed by the first half of 2015, with the duplex L&T in Terminal 2 commencing operations in 2016. The other L&T and P&C stores will be renovated progressively, with scheduled completion by the end of 2014 and early 2015 respectively.







05



WITH THE LAUNCH OF ISHOPCHANGI.COM, TRAVELLERS NOW ENJOY THE EASE OF BROWSING AND HASSLE-FREE BUYING IN THE COMFORT OF THEIR HOMES BEFORE THEIR FLIGHT.

BEYOND BRICK AND MORTAR

In a key customer touch-point initiative, CAG expanded its retail footprint by making its first foray into the e-commerce space. In September 2013, it launched Changi's very own online store – iShopChangi.com – bringing airport shopping to the fingertips of its customers.

With the launch of iShopChangi.com, travellers now enjoy the ease of browsing and hassle-free buying in the comfort of their homes before their flight. A centralised e-commerce platform allows customers to purchase items from multiple retailers across terminals, and enjoy the convenience of collecting them at a single location before boarding their flight. At the same time, shoppers still enjoy all the shopping advantages, including tax savings, money-back-guarantees, Changi Rewards loyalty programme perks and participation in airport promotions.

Offering more than 2,000 popular duty-free products from Changi Airport's retail stores, including perfumes and cosmetics, wines and spirits, chocolates and delicatessen, timepieces and electronic gadgets, iShopChangi.com presents an additional sales channel for CAG's retail partners to reach out to customers and raise visibility of their brands and products. Within a period of six months, the portal processed more than 5,000 transactions and registered more than 7,000 members.

REFRESHED RETAIL OFFERINGS

Changi Airport's retail space is constantly rejuvenated to accommodate the changing tastes of its diverse range of customers who come from across the globe. On the airport's 70,000 square-metre floor plate, CAG seeks to provide a wide spectrum of products across different categories and price points so that there is always something for everyone.

During the year, CAG successfully wooed 17 new-to-Changi brands, injecting much excitement for shoppers. The Departure Transit Malls welcomed up-and-coming brands such as Michael Kors, Furla, Tory Burch, as well as popular brands such as Uniqlo and Shilla Watches. The opening of Uniqlo at Changi Airport Terminal 1 marked the Japanese fashion chain's first outlet in an airport's transit area.

Departing and transit passengers can look forward to enjoying the best of local delicacies before their flights. A heritage-themed F&B concession at Terminal 3 was awarded in September 2013. When it commences operations in mid-2014, it will showcase Singapore's unique hawker food culture and history. Other new F&B brands in transit include Tip-Top Curry Puffs and Costa Coffee.

Changi Airport has also become a favourite haunt for Singapore residents, especially families. Airport visitors who may not be flying, together with meeters and greeters, find delight in shopping and dining in the public areas of Changi Airport. Over the year, food lovers welcomed Paris Baguette, a renowned Korean bakery that specialises in European-style pastries, as well











as other outlets such as Twelve Cupcakes and Poulet. Retail brands such as Zap Watches and Du Yi Bookshop, as well as Changi Airport's only pay-per-use lounge in the public area – The Haven by JetQuay – also made their first footprints at Changi.

To better serve customers at Changi Airport, a one-stop customer service counter was introduced at the bustling Basement 2 of Terminal 3. Operating from 10am to 11pm daily, service staff provide assistance and information on shopping and dining options, airport facilities as well as on-going activities and promotions.

Today, Changi Airport has more than 350 retail stores and 120 F&B outlets across its three terminals, offering a myriad of retail and dining choices from local favourites to international brands.

PROMOTIONS AND REWARDS

Changi Airport's commercial strategy includes a strong retail mix that appeals to shoppers, on-going promotions to create retail buzz and excitement, and a strong tripartite partnership with tenants and brand partners.

To continue to deliver a fun and rewarding retail experience for shoppers, as well as to offer strong support to concessionaires, CAG organised two anchor retail promotions during the year – the 'Be a Changi Millionaire' lucky draw and a SpongeBob Squarepants-themed Christmas promotion.

The fourth instalment of the Changi Millionaire promotion proved again to be a resounding success. The promotion took on a fantasy theme and saw the airport decked out in whimsical decorations featuring giant replicas of retail products purchased by past Changi Millionaires including cameras, cosmetics and handbags, to create a shopping wonderland that could turn visitors' millionaire dreams into reality. On top of becoming millionaire hopefuls, shoppers also stood to win attractive instant prizes such as iPad minis, Samsung GALAXY cameras, shopping vouchers and other gifts. The six-month promotion garnered over 2.2 million participating entries from more than 210 countries, more than 2.5 times the number of entries during the inaugural run in 2010.

The year-end Christmas promotion brought much festive cheer from under-the-sea to shoppers with the popular cartoon character, SpongeBob Squarepants. Shoppers could purchase a set of plush toys or enjoy some bubbly 'underwater' fun at a bouncy playground mimicking SpongeBob's underwater town, the 'Bikini Bottom', which featured a ball pit, maze and slide.

Besides shopping promotions, other events and activities were also organised during the school holiday periods at the airport to introduce visitors to interesting destinations connected by air links from Changi Airport.

During the year, three destinations were featured – Indochina, Switzerland and Turkey. Besides interactive displays that were installed at these exhibitions, visitors partook in exciting activities

such as a 10-course obstacle track at the Indochina event, a cow-stacking challenge at a Swiss winter playground and a horse ride through exotic Turkey. These events proved to be successful and contributed to greater awareness of the featured destinations' attractions.

Another popular promotion during the year was the 'It's Raining Minions!' promotion, where shoppers could redeem a minion umbrella (in four designs) during the two-month promotion period. CAG also provided venue sponsorship for the Singapore HeritageFest 2013, and was recognised in the 'Supporter' category at the Patron Heritage Awards 2013, an event organised by the National Heritage Board.

Changi Airport's loyalty programme, Changi Rewards, continued to gain traction among shoppers and diners, with 150,000 new members during the year. Moving into its third year, the programme demonstrated increasing value for its members with exclusive promotions, such as the 'Save 2x7% GST' and offers at participating retail outlets and parking discounts for certain periods.

RENTABLE PROPERTIES

CAG manages the leases and operations of over 1,500 rentable premises within Changi Airport, including the Passenger Terminal Buildings (PTBs), Changi Airfreight Centre (CAC) and land leases.

The year saw challenging moments as aviation partners were more cautious about expansion and incurring huge capital expenditure for new premises. CAG worked closely with its partners and, through active engagement with tenants, managed to increase the occupancy rate for both the PTBs and CAC by 2.7% and 1.3% respectively. In total, aeronautical and non-aeronautical rental revenue rose 4% during FY13/14 compared to the previous year.

During the year, CAG continued to proactively engage the aviation community and improve the work environment. To ensure a higher level of privacy and comfort for users of its rentable premises, plans were made to upgrade the acoustics and air-conditioning systems in Terminal 3. This will involve major addition and alteration works in a live operational environment and will be phased over a few months to minimise disruptions. The works are expected to be completed before the end of 2014.

The amenities of Cargo Agents Building C in CAC – the oldest of the buildings managed by CAG – were also enhanced, with upgrading works to the lifts and toilets already in progress. CAG will continuously review opportunities for improvement to the buildings it manages even as they age, so as to maintain an optimal work environment for the airport community.

In a similar vein, CAG also engaged the cargo community through various platforms including bringing festive cheer and surprises to the tenants in CAC, such as holiday decorations, lion dance performances and a Mid-Autumn festive roadshow.

| SAFE & SECURE|



As operator of Changi and Seletar Airports, CAG plays a crucial role in ensuring safe and secure airport operations, yet at the same time providing such assurance to the travelling public and airport partners. The Aerodrome Safety Unit (ASU), Airport Emergency Service (AES) and Aviation Security (AvSec) divisions work very closely with the airport community to ensure the highest safety and security standards in both the Changi and Seletar aerodromes.

AERODROME SAFETY

ASU oversees the effective implementation of CAG's safety management system, underlining CAG's approach to safety, over and above regulatory compliance. CAG has in place a multi-tiered safety committee structure for the escalation and resolution of safety matters with the highest tier made up of a dedicated senior management team led by the CEO.

CAG seeks continuous improvement to achieve the highest level of safety in airport operations and capabilities in line with international standards and leading practices. In doing so, ASU works closely with the aerodrome safety regulator and operational divisions to ensure strict compliance to safety standards. As a proactive means to identify and address safety hazards, CAG maintains a confidential hazard reporting system for use by airport partners. It also actively disseminates safety messages, through print and electronic means, to reinforce a safety culture throughout the airport community.

As a certified aerodrome operator of both Changi and Seletar Airports, CAG is audited annually by the regulator to ensure that both aerodromes remain safe for flight operations. In preparation for the audits, ASU conducted several internal safety audits, including a comprehensive audit assisted by a consultant from the International Civil Aviation Organization (ICAO). CAG also completed certification renewal audits for both aerodromes.

In 2013, Changi Airport again received a deficiency-free rating from the International Federation of Air Line Pilots' Associations, a standard it has maintained since its opening in 1981. This recognition affirms CAG's resolve and commitment to aviation safety through the provision of a safe and efficient airport environment.

As CAG prepares for the next cycle of safety certification, ASU has been in close collaboration with respective divisions to strengthen CAG's workplace safety and health system. Training sessions are regularly conducted to enhance employees' understanding and implementation of robust risk management processes in their respective areas of oversight and responsibilities.

AIRPORT EMERGENCY SERVICE

AES is a highly trained specialist unit that is positioned to provide Aircraft Rescue and Fire-fighting (ARFF) for Changi and Seletar Airports in line with the requirements of the ICAO. It is also responsible for ARFF services at Republic of Singapore Air Force's airbases. Besides being the first responder to emergencies, including possible incidents involving chemical, biological, radiological, explosive and dangerous goods, AES also oversees fire safety procedures and policies at both Changi and Seletar Airports.

During the year, AES formed a new Inspectorate Unit to sharpen its focus in training, safety and standards. Additionally, AES officers are also kept abreast of latest developments in the ARFF industry through active participation in International Aviation Fire Protection Association forums, discussions and seminars.

AES also formed a partnership with NTUC LearningHub – the corporatised training arm of Singapore's National Trades Union Congress – to customise a workplace literacy programme for more than 100 AES officers.

On the international front, AES seeks continuous learning of best practices in ARFF from world-class airports. AES signed a Memorandum of Understanding with Dallas-Fort Worth Fire Training Research Center with the objective of collaborating in the areas of ARFF training, strengthening relationship between both parties and facilitating knowledge sharing. AES also spearheaded the formation of a new international working group, comprising sea rescue experts from Hong Kong, Auckland and Boston Logan International Airports, to develop best practices in sea rescue operations.

In September 2013, the division enhanced its emergency preparedness and rescue capabilities with the successful conduct of a full-scale aircraft crash exercise at night. 'Exercise Bobcat 2013' was a full troop deployment exercise that saw the involvement of more than 400 personnel, including senior management from CAG, the Civil Aviation Authority of Singapore (CAAS) and mutual aid partners. The exercise validated CAG's crisis plans and demonstrated AES' strong capability in coordinating emergency planning efforts involving both the airport community and mutual aid agencies.

In May 2013, AES conducted a Medical Awareness Seminar for medical responders in an aircraft emergency. Participants came from Changi Airport's healthcare provider Raffles Medical Group, the Ministry of Health as well as hospitals under the SingHealth and National Heathcare groups.

AVIATION SECURITY

Strong aviation security is an important enabler for business operations and also provides a competitive advantage for airports. The AvSec unit performs the key function of maintaining high standards of security management at Changi and Seletar Airports. It operationalises all airport security requirements and addresses security incidents, collaborating closely with agencies such as the Airport Police Division of the Singapore Police Force, Ministry of Home Affairs, Ministry of Transport, CAAS and security contractors.

With ongoing construction projects such as the Changi Creek development and crash/swing gate replacement impacting Changi Airport fence lines, AvSec works closely with CAG's Engineering Cluster to ensure that Changi Airport's airside perimeter continues to receive optimal Perimeter Intrusion Detection System coverage to meet the desired security outcomes.

CAG reaped productivity gains and cost savings with the streamlining of the Common Operator Review Facility and Hold Baggage Screening operations into two centralised screening rooms to serve Changi Airport's three terminals. These security screening functions were previously carried out in three separate screening rooms serving each terminal. The new initiative enhances the productivity of the screening officers, achieving productivity savings of 27 headcount, equivalent to cost savings of more than S\$1 million every year.

PREPARING FOR THE FUTURE



Changi Airport sits in the middle of a vibrant aviation market, rich in growth opportunities. Over the long-term, demand for business and leisure travel is expected to continue to rise with economic development, especially in Asia Pacific. CAG is preparing for the future by strengthening Changi Airport's capability to cater to more passengers and aircraft movements in the decades ahead and thereby securing Changi's status as a major air hub in the world.

T4'S CENTRAL GALLERIA **ENABLES VISUAL CONNECTIVITY ACROSS** THE CHECK-IN HALL, TRANSIT LOUNGE AND ARRIVAL BAGGAGE CLAIM HALL.



TERMINAL 4 - DEFINING TRAVEL

Terminal 4 (T4) broke ground in November 2013, marking yet another milestone in Changi Airport's history. The new terminal, to be developed on the site of the former Budget Terminal (BT), will add a capacity of 16 million passenger movements per annum to the current 66 million.

Unlike the BT however, T4 will deliver the premium airport experience that Changi Airport is renowned for. It will boast innovations in design, systems and processes that will enhance the travel experience, raise operational efficiency and manpower productivity for airlines and airport agencies. Self-service and automated options for check-in, bag drop, immigration clearance and departure gate boarding will be rolled-out extensively when T4 opens its doors in 2017.

The design of T4, based on a simple and yet functional architectural concept, is undertaken by a design consortium led by local architecture firm, SAA Architects, with close partners including UK architecture firm, Benoy. T4 will be a two-storey high compact terminal, incorporating thoughtful passenger-friendly facilities. It will see many 'firsts' and will serve as a test-bed for new concepts, with opportunities for CAG and the airport community to push boundaries to raise operational efficiency and manpower productivity.

The main enhancement to passengers' experience at T4 will be the extensive roll-out of self-service options in line with the fast and seamless travel (FAST) measures which CAG has introduced in recent years. With self-service trends gaining traction in airports worldwide, operations at T4 will leverage technology for self-service options and biometric passenger identity verification. These will significantly reduce waiting times at the various touch points in the terminal.

T4 will also adopt a centralised arrangement for Departure and Arrival Immigration as well as pre-board security screening. By virtue of the compact footprint of the terminal building, this layout will optimise deployment of manpower and equipment.

T4 will also present a new walk-through retail concept. After security clearance, passengers will enter the retail area for tax-free buys of popular items such as perfumes, cosmetics, liquor and tobacco. In all, T4 will feature more than 15,000 square metres of space dedicated to shopping and dining. approximately similar to the retail space in each of the other terminals.

Spanning across the length of the terminal is a 200-metre long and 18-metre wide Central Galleria which separates the transit areas from the public ones. A first in Changi Airport, the Central Galleria enables visual connectivity across three different spaces, namely the Check-in Hall, Transit Lounge and Arrival Baggage Claim Hall. The skylights above the Central Galleria will introduce natural light into the terminal, accentuating its spaciousness.

Following the groundbreaking of T4, CAG has awarded a \$\$985 million construction contract to Takenaka Corporation, which was also involved in the upgrading of Changi Airport's Terminal 1 (T1) (2012) and Terminal 2 (T2) (2006). The tender exercise saw very competitive bids from local and international companies with vast experience in the construction of major infrastructure projects.

Cathay Pacific Airways is the first airline confirmed to operate at T4 when it opens. Besides the FAST initiatives that will be rolled out terminal-wide, the airline's passengers can look forward to a new and exclusive premium lounge in the transit area. The lounge will offer passengers views into the apron and runway and sightings of aircraft take-offs and landings.





PROJECT JEWEL - A LIFESTYLE DESTINATION

Another major project that will drive Changi's growth is the redevelopment of the T1 open-air car park, the 3.5-hectare open-air car park in front of T1. As part of the redevelopment works. T1. which was previously hemmed in by roadways, will be expanded, allowing for more space for the arrival hall, baggage claim areas and additional taxi bays. This expansion project will allow CAG to increase T1's passenger handling capacity from the 18 million it handled in 2013, to 24 million passengers per annum when completed in 2018.

On top of these terminal expansion works, CAG, in partnership with CapitaMalls Asia Limited is developing a mixed-use complex on the car park site. Codenamed Project Jewel, this complex is envisaged to be a world-class lifestyle destination that will enable Changi Airport to capture global tourism mindshare and strengthen its appeal as an air hub for transit and transfer passengers.

In December 2013, CAG and CapitaMalls Asia Limited's wholly-owned subsidiaries - Jewel Changi Airport Holding Pte. Ltd. and CMA Singapore Investments (6) Pte. Ltd. respectively - entered into a joint venture (JV) agreement to jointly develop and manage Project Jewel. A private trust, a trustee-manager and a property manager were set up as the JV entities, with CAG being the majority 51% shareholder and unitholder of the JV entities, while CapitaMalls Asia owns the remaining 49%.

Designed by a consortium of consultants led by world renowned architect Moshe Safdie, and comprising Benoy and local architects RSP, Project Jewel, with its distinctive glass and steel façade, is expected to become an iconic landmark in Singapore. With five storeys above ground and five below, it will offer an exciting myriad of lifestyle offerings that will appeal to

both tourists and Singaporeans. There will be unique leisure attractions including a lush indoor garden with a central waterfall of about 40 metres in height, and a wide range of retail and dining offerings that will comprise exciting new-to-Asia names as well as popular household brands.

The facilities for airport operations in Project Jewel will further strengthen Changi Airport's service offerings for its passengers. There will be facilities dedicated to fly-cruise and fly-coach passengers, as well as training facilities and communal event spaces for the airport community. In addition, the five-storey basement carpark will treble the capacity of the current T1 car park to about 2,500 parking spaces. With its prime spot in the heart of the airport, Project Jewel will also serve as a node to improve connectivity between the terminals and MRT station.

CHANGI EAST - READY FOR GROWTH

The Changi East development – on a 1,080-hectare site east of Changi Airport - is a longer-term project earmarked for completion in the mid-2020s. It will further augment Changi's standing as an aviation powerhouse for the future. The multi-agency Changi 2036 Steering Committee, which CAG is a part of, is overseeing the construction of Changi East, which comprises the development of a new mega terminal, Terminal 5 (T5), and the implementation of a three-runway system.

T5 will have the capacity to handle about 50 million passengers per annum when it commences operations, making it one of the largest terminals in the world. The mega terminal will introduce new modes of operation for stakeholders – from airlines, ground handlers, and air cargo to Maintenance, Repair and Overhaul (MRO) companies and government agencies. T5 will be linked to Changi's existing terminals, allowing Singapore's air hub to be



operated as a single, integrated airport for ease of transfer between various terminals, maximum passenger convenience and airfield operational efficiency.

Conceptual options for the layout of T5 have been developed with views sought from stakeholders to further refine its design. Considerations have been given to factors such as passenger convenience as well as efficiency of airfield and terminal operations. The final design will be revealed after consultations with key industry partners.

Besides T5, another transformation that will further boost Changi Airport's air traffic capacity is the development of the third runway. Scheduled to be ready in the early 2020s, the project is a complex mix of extensive skill improvement, pavement and drainage works. Currently used by the military, Runway 3 will be extended from 2.75 kilometres to four kilometres in length to handle larger passenger aircraft, alongside some 40 kilometres of new taxiways that will connect Runway 3 to the current Changi airfield. New facilities such as navigation aids, airfield lighting systems and a fire station will be also built. Planning and preparatory works for the project have commenced.

Land has also been set aside for an industry zone at the northern end of Changi East, with much consideration given to the requirements of cargo partners, such as airfreight and air express operators, as well as MRO activities that will continue to augment the business and employment opportunities that the aviation industry brings holistically.

In order to create a contiguous and integrated airfield, it has been announced that the existing Changi Coast Road and the park connector beside it will be replaced with a new at-grade road and park connector further east, along the eastern coastline.

For good ground connectivity, the road infrastructure will be improved to ensure convenient access to T5. The terminal will also be connected to the MRT network. Changi Airport, which currently has three terminals, two runways and a total passenger handling capacity of 66 million passengers per annum, will

have four terminals and three runways with a total capacity of 85 million passengers per annum by the early 2020s. With T5, Changi Airport's passenger handling capacity will be further increased.

These significant investments in capacity, along with the development of T4 and Project Jewel, are necessary to allow Changi Airport to meet the projected strong growth of air travel in Singapore and the region. This will ensure Singapore's continued success as an air hub and the growth of its aviation industry.

IMPROVING EXISTING INFRASTRUCTURE

While forging ahead on its expansion plans, it is imperative for CAG to continue its maintenance and enhancement efforts of its existing airfield to support the needs of airlines at Changi Airport. Throughout the year, extensive airside works including land preparation and infrastructure support were carried out – so as to support a new nursery, maintenance bases and MRO hangars at Changi Creek, located at the northern part of airport.

The nursery was relocated from the South End Reservoir to the Changi Creek Reservoir area and the 10-hectare South End Reservoir was backfilled for the construction of remote aircraft parking stands to support flight operations. Eight new remote parking stands at the West Cargo area opposite the SATS Airfreight Terminals are also currently being constructed to increase the total number of aircraft parking stands at Changi Airport.

In order to maintain the integrity of existing runways and taxiways, CAG resurfaced eight kilometres of taxiways and carried out rehabilitation of aircraft pavements at parking stands with 40% recycled concrete, which is double the industry practice of 20%. Within the passenger terminal buildings, CAG has also commenced overhaul works on all lifts, escalators and moving sidewalks in T2.

INTERNATIONAL PRESENCE



During the year, Changi Airports International (CAI), the investment and consultancy arm of CAG, continued its foray into overseas markets. Even while it consolidated its position in four airports in southern Russia, it extended its presence into South America by winning a concession to manage an airport in Brazil. On the consultancy front, CAI secured and delivered on a number of projects in China, India, South East Asia, the Middle East and Europe.





BRAZIL

In November 2013, CAI and its Brazilian partner, Odebrecht TransPort (OTP), won a 25-year concession to manage Antonio Carlos Jobim International Airport (GIG) in Rio de Janeiro. As the second busiest airport in Brazil and an important gateway to the country, the involvement in GIG will be the largest investment by CAI, making it a landmark transaction for CAG's overseas footprint.

Under the concession contract which was signed in April 2014, CAI will hold 20.4%, OTP 30.6% and the state-owned airport operator, Infraero, retaining a 49% effective stake in the airport concession company. The first phase of airport expansion costing about S\$1 billion is targeted for completion before the 2016 Summer Olympics to be held in Rio de Janeiro. It will include terminal extension with 26 new contact gates, additional remote aircraft parking positions and car parks.

The airport concession company is expected to take over the airport from August 2014. Aside from governance through the shareholders' agreement and board representation, CAI will hold positions in the management team of the airport concession company. It will also be assisting in the transition, development and management of the airport through a multi-year technical services agreement.

RUSSIA

Since June 2012, CAI has been a 30%-shareholder in Basel Aero, a joint venture that owns and manages a group of four airports in the south of Russia. With CAI's involvement, the airports have seen significant improvements in the last two years.

One of the airports, International Airport Sochi, was the home airport of the 2014 Winter Olympics in February 2014. In

preparation for the event, International Airport Sochi completed massive infrastructure development, including a passenger gallery with 10 aerobridges, renovation of car parks and a new VIP terminal. It also streamlined its internal operational processes, including optimising in-house ground handling, creating an Operations Control Center and kick-starting proper Airport Service Quality monitoring, all in time for the Winter Games. During the peak Olympics departure days, International Airport Sochi handled an all-time high of 35,000 passengers a day without any delay to airport operations.

In 2013, Basel Aero and Nuance, a global duty-free retailer, formed a joint venture which will take over the duty-free operations and most of the duty-paid operations at the airports. With its expertise in airport retail, Nuance will introduce new innovative ways of running retail projects at the airports that will boost sales and increase the airports' non-aviation revenues.

INDIA

Durgapur Aerotropolis, the greenfield airport city in West Bengal being developed by Bengal Aerotropolis Projects Limited (BAPL) in which CAI has a 32.2% stake, has made progress. In September 2013, Durgapur Airport was named Kazi Nazrul Islam Airport (KNIA), after the Bengali poet, musician and revolutionary. KNIA commenced operations with helicopter services in December 2013 with Pawan Hans Limited, the largest helicopter operator in India, launching charter services between Durgapur and the cities of Kolkata and Shantiniketan. The next stage will involve township development and commencement of scheduled commercial flight operations by the end of 2014.

CAI will continue to play an important role in the development of KNIA under a five-year management contract which ends in 2017. Following its involvement in the airport master





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plan review, CAI will assist BAPL on airport readiness and commissioning, terminal and airside operations, as well as commercial and airline route development.

SAUDI ARABIA

CAI is in its final year of a six-year management contract with King Fahd International Airport (KFIA) in Dammam, Saudi Arabia. The CAI team, together with the local management, had delivered a number of the management contract milestones a year ahead of the contract completion. This included growing the airport's passenger traffic and doubling its non-aeronautical revenue. KFIA has successfully launched the KFIA Cargo Village under its Airport City project and tied up with major international courier companies to commence operations in 2014.

Elsewhere in Saudi Arabia, CAI, through its subsidiary Changi Airport Consultants (CAC), was engaged by King Abdulaziz International Airport (KAIA) of Jeddah for the development of the commercial layout and product mix for the new airport. CAC's efforts yielded a 10% increase in the overall commercial space – which was not an easy feat as the construction of KAIA was well in progress. An enhanced commercial layout that will allow the airport to maximise non-aeronautical revenue was also achieved.

ITALY

Notwithstanding the divestment of its stake in Rome's airports in 2013, CAI, through its subsidiary Changi Airport Planners and Engineers (CAPE), continued to provide advisory services on the development of Rome's Fiumicino Airport (FCO) under an ongoing engagement with Aeroporti di Roma, the airport's operator.

In March 2014, CAI secured a consultancy project to develop a dual-hub commercial model for FCO, with each having its unique retail and dining environment. The project scope involves improving the passenger flow, configuring the commercial layout for optimal shop penetration, reorganising product offerings to optimise sales and rental revenue and showcasing the rich culture of Rome.

CHINA

In September 2013, CAI, through CAC, was awarded a contract to optimise the existing commercial layout and reconfigure the commercial offerings at the new Kunming Changshui International Airport (KCIA). Following a comprehensive passenger survey to understand the shopping and dining preferences of airport users of various demographics, CAC developed an effective and holistic commercial strategy and increased the airport's commercial space by 76%, meeting KCIA's target.

During the year, CAI also conducted airport management training in Singapore for senior management officers from Tsingdao Airport and Shenzhen Airport, among others.

FUTURE PLANS

In the years ahead, CAI's focus will be to strengthen the operational and management capabilities of the airports it has investments in and also play a key role in the infrastructure development of these airports as they gear up for major events. This is especially so for GIG in Rio de Janeiro which is preparing for the 2016 Summer Olympics. To help the airports grow, CAI will invest in developing the traffic potential of the airports and in capacity expansion.

CAI will also explore opportunities in Latin America, Russia and Southeast Asia through new investments and partnerships. To this end, it will strengthen its airport consultancy business by building new capabilities and a pipeline of compatible projects.

DEVELOPING PEOPLE



A good workforce has always been the foundation of a successful company. As a young company, it is imperative for CAG to hone its people-first culture, establishing staff-centred initiatives such as employee engagement and talent development as the building blocks of the organisation. This commitment to people development was affirmed at the 2014 Randstad Awards, where CAG was voted the third most attractive employer in Singapore through a nation-wide survey about companies and their employment practices.

PEOPLE JOURNEY

People are at the centre of CAG's business. To sustain a high performance standard across the organisation and to drive the business, our people managers must be able to lead and guide their people effectively.

In May 2013, CAG introduced the inaugural Developing Leaders Programme, a two-part leadership training workshop tailored for people managers across all levels with the aim of strengthening the CAG Leadership DNA.

Over 400 people managers, including senior management, attended the programme over a period of six months. Through the programme, which was very well-received, managers developed a deeper understanding of their leadership styles, and learnt how to better develop and engage the people under their charge.

Another facet of a strong leader lies in how he manages feedback. The 360-degree feedback system was introduced in 2013 as part of the leadership development effort across CAG. It seeks to provide people managers with an honest and constructive view on their leadership, so that they may grow to become even better leaders.

CAG's efforts to develop its staff extend across the organisation to non-people managers, with initiatives such as the Learning Festival and CAG Learns@Tea. The third run of the Learning Festival was held in September 2013 with the theme 'Service through Design'. The Design Thinking framework and methodology was introduced in CAG, and specifically applied in providing excellent service to both internal and external customer service. Design Thinking incubator sessions were introduced to key project stakeholders handling airport developmental projects and corporate initiatives. The sessions highlighted the importance of developing projects with user-centric considerations. The participants were also encouraged to prototype their ideas to test for effectiveness and user impact before implementation.

As part of the Learning Festival, staff also participated in Learning Journeys where they had the opportunity to learn more about the best service practices of five top employers in Singapore, namely American Express, McDonald's, Marriott Hotel, Tan Tock Seng Hospital and the Singapore Prisons Service.

EMPLOYEE ENGAGEMENT

Riding on the strong participation and response from the inaugural 2012 Employee Engagement Survey (EES), CAG continued with the second EES in 2013 to take stock of progress. An overwhelming 96% of CAG staff participated in the survey, and more encouragingly, the results showed significant improvement from the previous year. This signalled that the issues identified from the first EES had been adequately addressed. The results were unveiled at both the organisational and divisional levels, followed by dialogue sessions with staff to discuss the way forward.



To build even stronger bonds among CAG staff, the annual Dinner and Dance was held in February 2014 at Resorts World Sentosa. Themed 'Around the World', it was an evening of excitement and fun as CAG staff bonded over dinner and the exhilarating performances by fellow CAG staff vying for the coveted champion title in CAG's very own talent show, CAG X-Factor.

Following the successful inaugural Annual Appreciation Awards (AAA) in 2012, the 2013 AAA continued to recognise CAG's long serving staff and those who exemplify CAG's core values.

The Long Service Awards recognise CAG staff for their commitment and dedication while the CAG Core Values Awards acknowledge individuals who best represent CAG's core values. The number of nominations saw an almost 50% increase over 2012. A total of 16 winners were eventually selected in the three categories – Best Buddy, Most Supportive Supervisor, Core Values and the Open Category. A new award – the Inspiring Mentor Award – was also introduced to recognise employees who have made a significant difference in CAG's corporate social responsibility efforts.

SECURING OUR FUTURE

With major developmental projects such as Terminal 4, Project Jewel and Changi East in the pipeline, it is crucial for CAG to secure the best talent as it prepares Changi Airport for the road ahead. CAG's Talent Internship Programme continued to be popular among undergraduates, with over 800 applications received, more than twice the number received the previous year. A total of nine internships were offered after a rigorous selection exercise.

CAG continued to enhance its employer branding through a strong presence at various scholarship and career fairs throughout the year. Apart from reaching out to undergraduates from the local universities, CAG also organised scholarship information sessions with graduating students from local pre-university institutions to share about the exciting career opportunities within the aviation industry.

Core Values Award Winner - Norzila Bie Yunus (Core Values Category)

Norzila is a member of the Benefits team in Human Resource. Having won the Core Value Award in 2012, Norzila has continued, in the spirit of excellence, to exemplify CAG's core values.



Core Values Award Winner - Chia Hang Piow (Most Supportive Supervisor)

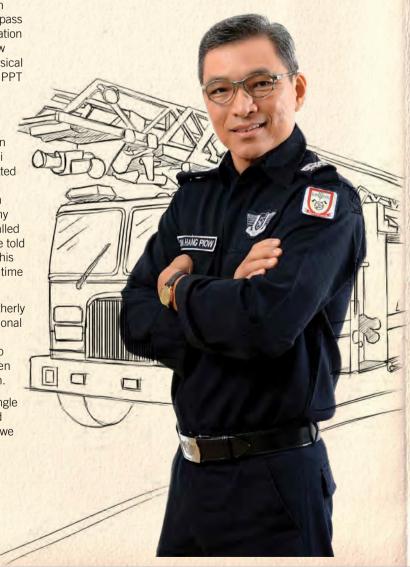
With nine nominations to his name, Hang Piow was unanimously recognised by his staff as a supportive supervisor. The Senior Warrant Officer from the Sembawang base of CAG's Airport Emergency Services (AES) was affirmed by his team to be a leader who truly cares and inspires them to achieve more.

Although over 50, Hang Piow is an inspiring role model who encourages his staff to keep up their fitness levels. One of his subordinates, Sergeant Muhd Hamir Bin Rohi, said, "Over the years, I had only managed a pass in my IPPT, but in 2012, under Hang Piow's motivation and training, I achieved a silver award!" Hang Piow walks the talk on fitness, joining his team in all physical activities, and leads by example with his excellent IPPT results year after year.

Hang Piow's support and care for his staff extend beyond training. As a team leader, his care and concern for the personal lives of his men have been acknowledged. Lance Corporal Mohd Hiszammudi recalled the time when his grandmother was admitted to the hospital for emergency surgery. "I called Hang Piow to request for special time off to be with my grandmother," he recalled. "Two hours later, my grandmother was still in the operating theatre. I called him to say that I would be returning to work, but he told me to take leave instead. He also shared with me his own experiences, and told me to cherish whatever time we have with our family."

Hang Piow is regarded by his subordinates as a fatherly figure who places his crew's well-being, both emotional and physical, as a priority. He would bring cooked vegetables from home to share during mealtimes to ensure that his crew keep a balanced diet, and often cracks jokes with his team to keep their spirits high.

"Working with him is a joy as he makes time to mingle with his crew and join in the banter with us," Mohd Hiszammudi said. "I often boast to our peers that we have the best supervisor of all in AES."



RESPONSIBLE CORPORATE CITIZENSHIP



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CAG is cognisant that Changi Airport owes its success to the strong support that the people of Singapore have given it over the years. As a corporate citizen, it is committed to giving back to society through a community engagement programme targetted at less privileged youths. At the same time, CAG is mindful that Changi Airport's operations can impact the environment and hence, it invests manpower and other resources to develop environmentally responsible processes and procedures.

COMMUNITY

CAG's philanthropic arm, the Changi Foundation, was established in 2012 to reach out to disadvantaged youths – a social cause that CAG has supported since 2010. Each year, CAG allocates a percentage of its net profit to the Changi Foundation, which supports youth community efforts.

Backed by strong support from the voluntary participation of CAG employees, the Changi Foundation has impacted the lives of more than 1,000 youths through its programmes and activities. The programmes delve deep into supporting youths in their journey of transformation from adolescence to adulthood.

Recognising the importance of education as part of a youth's development, the Changi Foundation provides students from underprivileged backgrounds with financial assistance to enable them to continue their formal education. A total of 107 students from various beneficiaries such as Assumption Pathway School, NorthLight School and Students Care Service received the CAG - Howe Yoon Chong Book Prize award in 2013, which provides financial support for their tertiary education. In addition, 305 bursary awards worth some S\$114,000 were distributed to help needy secondary school youths stay in school.

In 2013, CAG partnered SportCares Foundation, a non-profit organisation under Sport Singapore, on a 'Saturday Night Lights' football programme. Launched by Mr Tan Chuan-Jin, then Acting Minister for Manpower and Member of Parliament for Marine Parade Group Representation Constituency, and Mr Lee Seow Hiang, CEO of CAG, 'Saturday Night Lights Central' rides on the popularity of football to keep disadvantaged youths, aged between 12 and 20, off the streets. It also aims to reinforce positive values such as team work, discipline and a sense of commitment towards achieving goals.

On Saturday evenings, the youths turn up at ITE College Central to benefit from quality football coaching and team camaraderie, capped off with dinner. Complemented with life skills workshops and motivational talks by sports personalities, the programme has become a powerful platform to engage youths in a community environment, one boosted by good role models. The sessions also offer CAG volunteers a unique and fun way to train with and mentor the youths. 'Saturday Night Lights' has been well-received by students, parents and teachers, with participation growing to about 80 youths.

CAG has also been actively driving donations by encouraging both airport visitors and staff to do their part for the community. As part of Changi Airport's Christmas celebration in 2013, the Adopt-a-Wish initiative was introduced to provide the opportunity of granting the Christmas wishes of underprivileged students. Students from NorthLight School were invited to pen their wishes, which were collected to adorn Christmas trees at Changi Airport. A total of 513 wishes were adopted and \$\$10,749 was raised for NorthLight School – a sum that was matched dollar-for-dollar by the Changi Foundation. An additional \$\$24,615 was raised at a CAG staff carnival, where staff came together to set up stalls to sell merchandise and raise funds for the Changi Foundation.



Over the year, more than 440 CAG staff volunteered in various activities at Northlight School as part of a longer-term partnership to benefit students throughout their entire secondary school life.

An example is the weekly reading programme, where CAG employees take time out to coach students in need of improving their literacy skills. Besides the structured volunteerism opportunities, employees have also taken the initiative to organise their own outreach effort, bringing NorthLight students to tourist attractions or conducting team-building activities as part of their team-bonding outings.

ENVIRONMENT

Adopting a sustainable environment mindset is also part of CAG's corporate citizenship. In line with this, CAG pursues various initiatives to ensure the growth of the business in a sustainable manner, in order to safeguard the environment for future generations.

Through the Changi Airport Group Environmental Policy, which serves as the bedrock of its energy, water, waste and noise management efforts, CAG is committed to carry out its activities in an environmentally responsible manner, setting targets and implementing specific action plans to address different environmental areas.

CAG achieved its Eco-office re-certification by the Singapore Environment Council in October 2013 and ISO14001 re-certification in February 2014, which saw the setting of new environmental targets such as reducing its energy consumption and improving waste management practices at Changi Airport over the next three years.

As part of CAG's efforts to grow awareness of the importance of sustainable operations, the company has expanded its outreach to include not only its employees but also its many airport partners. The first-ever airport-wide Recycling Day, organised on 15 November 2013, saw the participation of 14 airport partners such as SIA Engineering Company. In total, 3,365kg of recyclables were collected, ranging from old newspapers and cardboard, to equipment such as computers and toner cartridges. In addition, about 34,000 used lamps, which had reached the end of their lifespan, were collected from across Changi Airport's three terminals between January and October 2013, and sent for recycling.

On 29 March 2014, CAG participated in Earth Hour for the sixth year running. As part of CAG's commitment towards environmental sustainability, all decorative lights within the airport were switched off and non-critical operational lights were dimmed from 8.30pm to 9.30pm that evening.

SATURDAY NIGHT LIGHTS

New friends, new skills and a brand new motivation - just three of the many takeaways that Mohammad Irfan, one of the students at NorthLight School, has gained from CAG's 'Saturday Night Lights' (SNL) programme. Every Saturday, the Secondary 3 student turns up well ahead of his training session to prepare for a meaningful time of training and bonding with his peers.

Under the close mentorship of trained coaches, Irfan now spends three hours of his Saturday evenings honing his football skills, which he feels has moved him closer to realising his dream of becoming a professional, and being part of the Singapore national football squad one day.

Beyond the coaching received, Irfan is most appreciative that SNL has expanded his social circle. Through SNL, he has made friends who share a similar passion and who are equally driven in achieving like-minded goals; exerting a more positive influence on him.

Mr Vishaal Bhardwaj, who has been teaching Irfan Mathematics for the past two years, has notice a marked improvement in the 15-year-old's grades. More importantly, Mr Bhardwaj, who is also the subject head for Character and Citizenship Education at NorthLight School, has seen an improvement in Irfan's attitude towards school and his teachers.

Mr Bhardwaj attributes this change to the way the SNL programme is positioned to students – it is a reward for doing well in school. Together with the football coaching and team jerseys that CAG provides, the students greatly value the opportunity to be a part of the programme and this serves as a very tangible form of motivation for them to put in more effort at school.

The school has received positive feedback from the students' parents too, as it helps to keep their children in a safe and positive environment, especially during the weekends.

While NorthLight School runs many other programmes for its students, Mr Bhardwaj feels that SNL has proven itself to be an effective means of motivating students in both their studies and character development.

Apart from funding, the strong logistical support and sustained commitment from CAG and its employee volunteers has brought an extra impact to the lives of Northlight students.



| ENGAGING DIGITALLY |



Since 2009, Changi Airport has been actively developing its social media presence and today, it has the world's largest communities on Facebook and Instagram among airports.

During the year, Changi Airport received recognition for its social media engagement efforts when it won the 'Best Use of Social Media' award from The Moodie Report for the second consecutive year.

BUILDING BRAND LOVE

The Fans of Changi social media programme seeks to engage travellers from around the world, generating awareness of Changi Airport's offerings and strengthening brand advocacy through comments, likes, retweets and shares. The high level of engagement – the backbone of Changi Airport's social media blueprint – harnesses fans and followers to appreciate the brand.

Recognised for its first-class amenities and service, Changi Airport aims to foster bonds with existing fans and aspiring travellers. Through Fans Of Changi, photos of amenities are frequently featured to remind passengers of what awaits them as they travel through Changi.

For example, a YouTube video entitled 'A Day in the Life of Changi Airport' was shot in a tilt-shift photography style – a first for Changi. It gave different glimpses of the daily operations of the airport in a most fun and engaging manner.

On Facebook, special features heralding the unsung heroes of Changi proved extremely popular. Audiences showed much support – and appreciation – for the good and hard work these staff members put in to keep Changi Airport top-notch at all times.

Another highlight was a post announcing the 'World's Best Airport' win at the 2013 Skytrax Awards. The post received 5,600 likes; 207 comments and almost 700 shares – testament of the strong support and bond that Changi Airport has fostered with its fans on Facebook.

Twitter has also been extremely successful in extending Changi's reach to followers and travellers, building brand affinity and enhancing customer engagement. In response to an increasing number of passengers tweeting their queries and feedback, staff members of the Changi Contact Centre have been trained to use Twitter.

INSPIRING TRAVEL

Apart from a mix of beautiful destination images, aircraft photos and travel tips, Fans Of Changi ran online contests that both fuelled fans' wanderlust and at the same time increased awareness of airline partners operating at Changi Airport.

A good example was the 'Travel Tails Challenge' contest launched in October 2013 where participants were asked to identify airlines by their tail fins. The most successful contest to date, this 15-day contest attracted over 16,000 unique participants and resulted in more than 11,000 stories created on Facebook.

Travel deals were also promoted actively on Twitter while #WindowPeek photos by passengers who took photos from aircraft windows were showcased on Instagram. A time-lapse video of flights arriving at Changi Airport produced by an amateur photographer was also shared on the YouTube page, garnering many views and positive comments on various social media channels.





Not only does @fansofchangi have a fantastic airport, they also have a fantastic twitter. This is travel done right my friends.

@mikethevilla



02

PROMOTING RETAIL AND DINING

Retail and dining options at Changi Airport were also given 'airtime' on Fans Of Changi. These included marketing campaigns such as the annual 'Be A Changi Millionaire', '2 X GST' promotion, iShopChangi portal and the Christmas festive offer.

Exclusive product launches and events such as the global debut of the SK-II Stempower Essence at Changi were also highlighted. Other promotional content organised by tenants were publicised using Facebook, Twitter and Instagram to foster stronger partnerships with commercial tenants.

MEANWHILE, IN CHINA...

With an entirely different social media landscape in China, Changi Airport has also grown its Sina Weibo following to 100,000 fans as at March 2014. Daily engagement posts, innovative contests and customised campaigns on the platform continue to enable Changi Airport to reach out digitally to travellers.



As the Fans of Changi social media channels continue to engage travellers from around the world, Changi Airport will continue to explore new channels and platforms to grow its online presence and extend the Changi Experience digitally to engage with passengers even outside of the airport.

The Fans of Changi social media platforms have been very successful in extending Changi Airport's reach beyond passengers using the airport. They have also proven to be useful channels for engagement with fans and followers.

Here are some statistics for FY13/14:



357,847 Facebook fans*

Growth: 219,861 (increase of 159%)

World's largest airport Facebook page

410 posts

417,149 likes

30,044 comments

29,130 shares



27 videos posted

1,983,878 video views (increase of 190%)





15,319 Twitter followers*

Growth: 8,316 (increase of 119%)



6,375 tweets

6,881 favorites

2,380 replies

13,686 retweets

1hr, 38mins, 31secs average reply time



10,447 Instagram followers*

Growth: 7,652 (increase of 274%)



World's largest airport Instagram account

383 posts

162,151 likes

3,334 comments

Note:

*Number of fans/followers is taken as of 31 March 2014

Growth & other stats are calculated based on activity for the period 1 April 2013 to 31 March 2014

AWARDS & ACCOLADES



2013

DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES		
Apr	World's Best Airport 2013	Skytrax	4		
	Airport Authority with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	6		
	Best Airport (World)	Travel + Leisure, India and South Asia	2		
May	Best Airport in the World	Business Traveller, Middle East	10		
	Best International Airport	TravelWeekly China	6		
	Best Airport - Asia	Cargonews Asia	27		
	Airport Authority in Asia / Pacific with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	14		
	Best Airport in the World	Ultratravel	7		
Jun	Best Airport for Frequent Travellers	Business Traveller, Germany	20		
Jul	World's Best Airport	Travel + Leisure	1		
Aug	Best Airport Worldwide	Smart Travel Asia	5		
Sep	Best Airport in the World	Condé Nast Traveller, UK	8		
	Best Airport in the World	Business Traveller, Asia Pacific	22		
	Best Airport in Asia Pacific	Business Traveller, Asia Pacific	4		
Oct	Best Airport in the World	Business Traveller, UK	26		
	Asia's Leading Airport	World Travel Awards	10		
	Travel Hall of Fame - Airport	Travel Trade Gazette, Asia	11		
	Long Haul Airport of the Year	Selling Long Haul	10		

ACCOLADES RECEIVED BY SINGAPORE CHANGI AIRPORT (2013/14)



DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES
Nov	Airport Innovation	Global Airport Development	1
	Best Airport in the World	Business Traveller, China	9
	Best Airport	Condé Nast Traveller, India	3
	World's Leading Airport	World Travel Awards	8
Dec	Best Airport in the World	Business Traveller, US	21
	Best Airport in the World	Premier Traveler	2
	Best Airport Dining	Global Traveler	4

2014

DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES
Jan	Deficiency - Free	International Federation of Airline	33
		Pilots Associations (IFALPA)	
	Airport of the Year	Air Transport World	1
Feb	Top Worldwide Airport	Wanderlust	12
	Best Airport in Asia Pacific	DestinAsian	9
	Best Airport by Size (over 40 million)	Airport Council International	3
Mar	Best Foreign Airport	Condé Nast Traveller, Russia	2
	World's Best Airport 2014	Skytrax	5
	Favourite International Airport	Outlook Traveller	1
	Best Airport (World)	Travel + Leisure, India and South Asia	3

@FansofChangi on Instagram

